UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner,

v.

SMARTFLASH LLC,

Patent Owner.

Case CBM2015-00029

Patent 7,334,720 B2

PATENT OWNER'S PRELIMINARY RESPONSE

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PATENT OWNER'S LIST OF EXHIBITS

Exhibit Number	Exhibit Description
2001	Congressional Record - House, June 23, 2011, H4480-4505
2002	Congressional Record - Senate, Sep. 8, 2011, S5402-5443
2003-2039	Reserved
2040	Declaration of Anthony Wechselberger in CBM2014-00104
2041	Declaration of Anthony Wechselberger in CBM2014-00105
2042	Patent Owner's Preliminary Response in CBM2014-00104
2043	Patent Owner's Preliminary Response in CBM2014-00105

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Pursuant to 37 C.F.R. § 42.107, Smartflash LLC ("Patent Owner") files this preliminary response to the corrected petition, setting forth reasons why no new covered business method review of U.S. Patent 7,334,720 B2 should be instituted as requested by Apple, Inc. ("Apple" or "Petitioner"). Arguments presented herein are presented without prejudice to presenting additional arguments in a later response should the Board institute a CBM review.

I. INTRODUCTION

Petitioner Apple seeks covered business method (CBM) review of claims 3 and 13-15 of U.S. Patent No. 7,334,720 B2 ("the '720 Patent"). Paper 5 at 1 ("Corrected Petition"). Apple challenges claims 3 and 13-15 on 35 U.S.C. § 103 obviousness grounds. Paper 5 at 1, 19. On March 31, 2014, Apple filed two earlier petitions, in CBM2014-00104 and -00105, also seeking CBM review of claims 3 and 13-15 of the '720 Patent, among others, on § 103 obviousness grounds. The PTAB denied review of claims 3 and 13-15 on § 103 obviousness grounds in both instances. *Apple Inc. v. Smartflash LLC*, Case CBM2014-00104 Paper 9 at 4, 20 (PTAB September 30, 2014) and Case CBM2014-00105, Paper 9 at 3, 20-21 (PTAB September 30, 2014).

Here, Apple re-raises its obviousness challenge to claims 3 and 13-15, relying on five pieces of prior art: three of which (Stefik '235, Stefik '980, and Poggio) are the same prior art raised in both CBM2014-00104 and -00105; and two

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of which (Kopp and Smith) are "additional prior art" Apple "now identifies" "in light of the Board's Decision." Corrected Petition at 1-2. Apple does not allege that Kopp (a U.S. Patent issued in 1999) and Smith (a PCT application filed in 1995) were not known or not available to it when it filed its earlier petitions.

The Board should again deny review of claims 3 and 13-15 on Apple's § 103 obviousness challenge because the Corrected Petition "raises substantially the same prior art or arguments previously presented" and rejected by the Board in CBM2014-00104 and -00105. See, *Unilever, Inc. v. The Proctor & Gamble Company*, Case IPR2014-00506, Paper 17 at 6 (PTAB July 7, 2014)(Decision, Denying Institution of *Inter Partes* Review)(quoting 35 U.S.C. § 325(d)). In fact, in the face of serial petitions by other Petitioners, the Board has already held that the Board's "resources are better spent addressing matters other than [a Petitioner's] second attempt to raise a plurality of duplicative grounds against the same patent claims." *Conopco, Inc. dba Unilever v. The Proctor & Gamble Company*, Case IPR2014-00628, Paper 21 at 21 (PTAB October 20, 2014)(Decision, Declining Institution of *Inter Partes* Review).

In the instant petition, Apple raises for the first time a 35 U.S.C. § 101 statutory subject matter challenge to claims 3 and 13-15 of the '720 Patent. Corrected Petition at 1, 14. As the Board already noted with respect to other petitions filed against the same patent family, "challenges pursuant to 35 U.S.C.

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